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**ILLINOIS COMMERCE COMMISSION**

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

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COMMERCE COMMISSION

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CHIEF CLERK'S OFFICE

NORTHERN ILLINOS GAS COMPANY )  
d/b/a NICOR GAS COMPANY AND )  
NORTH SHORE GAS COMPANY )

)  
Joint Petition For Consent to and Approval )  
of a Firm Transportation Agreement )  
Pursuant to Section 7-102, 9-102 and 9-201 )  
of the Illinois Public Utilities Act and )  
related relief. )

Docket No.

02-0779

**JOINT PETITION**

To the Illinois Commerce Commission:

Northern Illinois Gas Company d/b/a Nicor Gas Company ("Nicor Gas") and North Shore Gas Company ("North Shore"), hereinafter referred to collectively as ("Petitioners"), respectfully request that the Commission enter an Order consenting to and approving the execution and performance of a Firm Transportation Agreement ("Agreement") by and between Nicor Gas and North Shore. A copy of the Agreement is attached hereto and made a part hereof. The filing of the attached Agreement is additionally intended to comply with the Petitioners' obligation under Section 9-102 of the Illinois Public Utilities Act ("the Act") to file with the Commission copies of certain agreements between public utilities. The Petitioners further request that the Commission enter its order in this proceeding without an evidentiary hearing, and that it permit the proposed agreement to become effective without 45 days' notice. In support of this Joint Petition, Petitioners state as follows:

1. Nicor Gas is an Illinois corporation with its General Office at 1844 Ferry Road, Naperville, DuPage County, Illinois 60563-9600. It is engaged in the business of distributing and selling gas to more than 2 million customers in the northern part of Illinois, and is a public utility subject to the jurisdiction of this Commission pursuant to the Act.

2. North Shore is an Illinois corporation with its General Office at 130 East Randolph Drive, Chicago, Cook County, Illinois 60601. It is engaged principally in the business of distributing and selling gas to approximately 150,000 customers, in Cook and Lake Counties, Illinois and is a public utility subject to the jurisdiction of this Commission pursuant to the Act.

3. Subject to the Commission's authorization, Nicor Gas and North Shore have entered into a Firm Transportation Agreement, executed as of August 1, 2002, under which Nicor Gas proposes to transport gas for North Shore from a point of interconnection with ANR Pipeline Company's facilities near Hampshire, Illinois to a point of interconnection with North Shore's facilities known as Busse Road.

4. Under the Agreement, Nicor Gas would deliver a maximum daily firm contract quantity amount of 65,000 MMBtu on any day.

5. The term of the proposed Agreement is from November 1, 2002 through March 31, 2003.

6. The proposed Agreement is a renewal of firm transportation service initially provided by Nicor Gas to ANR Pipeline Company ("ANR") for the benefit of North Shore and originally approved by the Commission in Docket No. 95-0036. Nicor Gas and North Shore subsequently entered into an agreement dated October 22, 2000,

under which Nicor Gas provided firm transportation service directly to North Shore.

Under this Agreement Nicor Gas would continue to directly provide firm transportation to North Shore.

7. Under the Agreement, Nicor Gas would receive a monthly demand charge of \$49,075 (\$245,375 for the five month term of the Agreement) and \$0.01 per MMBtu for all gas transported during the billing period. Total revenue under the Agreement would be sufficient for Nicor Gas to recover its costs for providing the service and make a contribution to fixed cost recovery.

8. Performance of Nicor Gas' obligations under the Agreement would not adversely affect service or charges under any of Nicor Gas' filed rates, and Nicor Gas' transportation obligation under the Agreement is subject to maximum daily limits representing 1.4 percent of Nicor Gas' historical peak-day sendout.

9. North Shore would benefit from retaining an additional market-area supply source at economic rates which would increase system reliability. The firm transportation service provided by Nicor Gas to North Shore is integral to North Shore's purchase of certain existing storage services from ANR. North Shore has purchased these services for seven years, with one year remaining on the ANR contracts. Absent the service from Nicor Gas, North Shore would need to purchase a more costly service from Natural Gas Pipeline Company of America in order to continue to receive the ANR service. Accordingly, the Agreement is in the public interest and the public would be inconvenienced thereby.

10. Petitioners believe that the proposed Agreement for firm transportation service is just and reasonable and would benefit North Shore and its customers, as well as


Nicor Gas and its customers. Further, Petitioners believe that the proposed Agreement is in the public interest and that the public would be inconvenienced thereby. Because North Shore is a Petitioner herein, Petitioners believe that no publication or further notice should be required. The filing of the Agreement is intended, *inter alia*, to comply with the Petitioners' obligations under Section 9-102 of the Act.

11. Petitioners believe that this Joint Petition contains all the pertinent information needed to enable the Commission to enter an order approving the Agreement. Accordingly, Petitioners request that the Commission enter an order approving the Agreement without a hearing. Petitioners further request that the Commission approve the Agreement on less than 45 days' notice.

12. In view of the forgoing, good cause exists for granting the Petitioners authority to place into effect the proposed Agreement, copies of which are attached hereto and made a part hereof, pursuant to the provisions of Section 7-102 of the Act.

WHEREFORE, Petitioners respectfully request that the Illinois Commerce Commission enter an order, without an evidentiary hearing (1) finding that the proposed Agreement attached hereto is just and reasonable and consenting to and approving the execution and performance of the Firm Transportation Agreement, effective as of the date of the Commission's order, pursuant to the provisions of Section 7-102 of the Illinois Public Utilities Act; (2) authorizing Petitioners to take any and all actions not contrary to the Act and the Commission's rules necessary to perform the Agreement; and (3) granting such further and additional relief as may be necessary, just and reasonable in connection therewith.

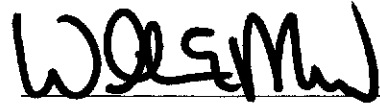
NORTHERN ILLINOIS GAS COMPANY  
d/b/a Nicor Gas Company

By: 

Senior Vice President

Respectfully submitted,

NORTH SHORE GAS COMPANY



Executive Vice President

OF COUNSEL

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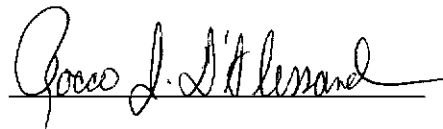
OFFICE OF GENERAL COUNSEL

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VERIFICATION

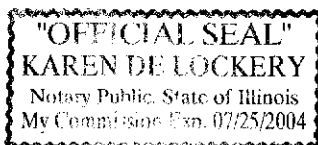
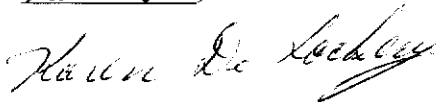
STATE OF ILLINOIS     )  
                                      )  
COUNTY OF DUPAGE    )

Rocco J. D'Alessandro, being first duly sworn upon oath, states that he is a Senior Vice President of Northern Illinois Gas Company, d/b/a Nicor Gas Company; that he has read the foregoing Petition by him subscribed and knows the contents thereof; and that the statements therein contained with respect to Nicor Gas Company are true to the best of his knowledge and belief.



Rocco J. D'Alessandro

Subscribed and sworn to  
before me this 21 day  
of November, 2002.



VERIFICATION

STATE OF ILLINOIS     )  
                                      )  
COUNTY OF COOK     )

William E. Morrow, being first duly sworn upon oath, states that he is an Executive Vice President of North Shore Gas Company; that he has read the foregoing Petition by him subscribed and knows the contents thereof; and that the statements therein contained with respect to North Shore Gas Company are true to the best of his knowledge and belief.



William E. Morrow

Subscribed and sworn to  
before me this 19TH day  
of NOVEMBER, 2002.

